

# OVERVIEW: EXEMPTIONS AND WAIVERS



JULY 2016

Texas currently maintains a variety of programs aimed at exempting or waiving tuition, fees, and other expenses related to attending public colleges and universities. These exemption and waiver programs are targeted to specific populations that the Texas Legislature has identified as warranting special consideration related to paying for higher education costs. An exemption is typically defined as a program that allows special groups of Texas residents or non-residents to enroll and pay a reduced amount of tuition and/or fees. A waiver allows special groups of non-residents to enroll and pay a reduced non-resident tuition rate.

Some programs are large and well known, such as the Hazlewood Exemption which provides an exemption from tuition and some fees for eligible Texas veterans. Others are relatively obscure and uniquely targeted, such as the Registered Nurses in Postgraduate Nursing Degree Programs Waiver which waives out-of-state tuition rates for registered nurses enrolled in graduate nursing programs offered by public institutions of higher education.

All exemption and waiver programs are authorized or mandated by the Texas Legislature. Most exemption and waiver programs were designed to reward individuals or their families for services rendered. Others are used to strengthen the basic infrastructure of higher education, in that institutions use them to recruit faculty, research assistants, teaching assistants, and highly-qualified students. Today, Texas has 32 exemption programs and 20 waiver programs. In FY 2015, 283,441 students received assistance through these programs, and the amount of tuition and fee revenue foregone by institutions totaled more than \$752 million. Of that, more than \$583 million was absorbed by public universities. A complete list of exemptions and waivers, including totals by institution type for fiscal year 2015 are included in the attached.

**Exemptions** allow special groups of Texas residents or non-residents to enroll and pay a reduced amount of tuition and fees.

**Waivers** allow special groups of non-residents to enroll and pay a reduced non-resident tuition rate.

**Mandatory** exemption and waiver programs are dictated in statute for all institutions to honor.

**Optional** exemption and waivers provide discretion for governing boards to implement.

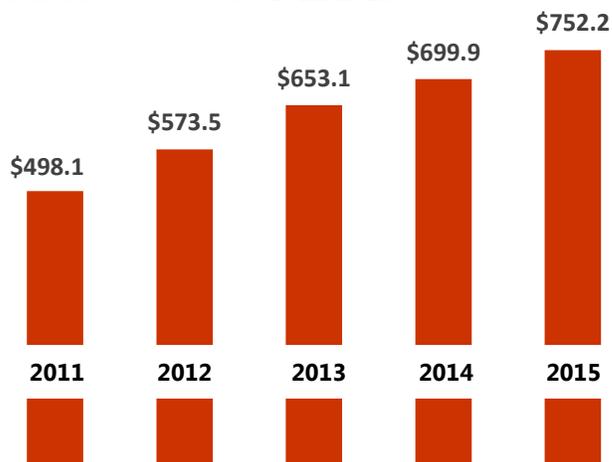
**Total Exemptions and Waivers Reported by Institution Type,**  
*Fiscal Year 2015*

Universities	Health-Related Institutions	Community Colleges	State Colleges	Technical Colleges	All Sectors
\$583,338,516	\$29,530,957	\$129,725,102	\$3,668,083	\$5,960,609	\$752,223,267

The Hazlewood Act provides qualified Veterans, and in some cases, spouses and dependent children with an education benefit of up to 150 hours of tuition exemption, including most fees. The Hazlewood Legacy Program allows veterans to pass on this benefit to a qualified child. The Hazlewood exemption is currently the largest exemption program. The Legacy component is growing rapidly. More than \$184 million was absorbed by public institutions of higher education through the Hazlewood Act in fiscal year 2015. \$114 million of that went to Legacy recipients (children of Veterans).

The total amount of exemptions and waivers awarded increased 51 percent from fiscal year 2011 to fiscal year 2015.

**Total Tuition and Fee Exemption and Waivers Disbursed - Fiscal Years 2011-2015**



**COMMON QUESTIONS**

**Are all exemption and waiver programs mandated by the Texas Legislature?**

Most programs are mandated for all institutions to implement and serve the defined program population. However, some programs are optional – implementation is left to the discretion of the governing boards at each institution. If the institution chooses to offer the program, however, it must serve all eligible students.

**Does the Coordinating Board administer exemption and waiver programs?**

No. The Coordinating Board performs a variety of tasks for a few programs as prescribed by statute, but exemption and waiver programs are generally administered locally at each institution.

**How do institutions administer the exemption and waiver programs?**

While eligibility requirements and benefits are stated in statute, how the programs are administered varies by institution. The greatest variation exists in the location(s) on campus where the programs are administered. Many institutions, for example, administer military- related waiver and exemption programs from a Veterans Affairs office. Conversely, some scholarship/academic waiver programs may be handled in the relevant academic department. Still other programs may be administered by the business, admissions, or financial aid offices.

Institutions have, in most cases, local discretion to identify the documentation needed to support a student’s claim of eligibility. Once eligibility is determined by the appropriate institutional authority, billing is adjusted accordingly and the student pays the remaining balance of expenses (if any). Complicating administration, statutes usually do not define a deadline for students to prove eligibility. Therefore, institutions may have to revise billing, make refunds, and submit revised reports to the Coordinating Board for students proving eligibility after the census or billing date of an academic semester or year.

**How are exemption and waiver programs funded?**

The state does not fund the exemption and waiver programs. The all funds formula funding allocations to institutions do not include any set aside or funding line item to offset tuition and fees lost to exemptions and waivers claimed at an institution. We cannot estimate the overall net effect of tuition and fee losses to the institutions. However, of the \$752 million in tuition and fees foregone in FY 2015, \$413.3 million was associated with the cost of *mandatory* exemption and waiver programs, and \$338.9 million in institutional revenue was associated with *optional* programs that some institutions elected to administer.

For more information:  
 Office of External Relations  
 512-427-6111  
 er@theccb.state.tx.us

Exemptions and Waivers Reported - FY 2015

<b>Legislatively Mandated or Optional</b>	<b>Exemption/Waiver</b>	<b>Universities</b>	<b>Health-Related</b>	<b>Community Colleges</b>	<b>State Colleges</b>	<b>Technical Colleges</b>	<b>All Sectors</b>
Mandatory	<b>Hazlewood Legacy</b>	<b>\$105,525,647</b>	<b>\$1,531,084</b>	<b>\$6,574,235</b>	<b>\$275,831</b>	<b>\$424,449</b>	<b>\$114,331,246</b>
Mandatory	<b>Total Hazlewood</b>	<b>\$155,936,018</b>	<b>\$4,055,444</b>	<b>\$22,800,760</b>	<b>\$427,470</b>	<b>\$1,445,803</b>	<b>\$184,665,495</b>
Mandatory	Exemption - Adopted Students Formerly in Foster or Other Residential Care - TEC 54.367)	\$4,806,072	\$13,536	\$1,088,105	\$37,430	\$40,915	\$5,986,058
Mandatory	Exemption - Blind, Deaf Students - TEC 54.364)	\$8,456,040	\$206,102	\$2,592,814	\$44,142	\$170,765	\$11,469,862
Mandatory	Exemption - Children of Disabled Firefighters and Law Enforcement Officers - TEC 54.351)	\$428,897	\$0	\$83,074	\$0	\$4,864	\$516,835
Mandatory	Exemption - Children of Professional Nursing Program Faculty - TEC 54.355)	\$237,884	\$0	\$21,666	\$2,832	\$0	\$262,382
Optional*	Exemption - Combat Duty Dependents - TEC 54.2031)	\$716	\$0	\$2,276	\$12,783	\$0	\$15,775
Optional	Exemption - Concurrent High School and College-Level Credit - TEC 54.216)	\$7,069,952	\$0	\$1,043,466	\$131,993	\$3,792,678	\$12,038,089
Optional	Exemption - Courses for Joint High School and Junior College Credit - TEC 130.008)	\$0	\$0	\$81,066,210	\$0	\$0	\$81,066,210
Optional	Exemption - Designated Tuition, Hardship - TEC 54.261)	\$4,821,938	\$0	\$0	\$0	\$0	\$4,821,938
Optional	Exemption - Disabled Peace Officers - TEC 54.352)	\$96,381	\$8,826	\$6,850	\$0	\$0	\$112,057
Optional	Exemption - Distance Learning or Off-Campus Course - TEC 54.218)	\$4,785,527	\$0	\$0	\$3,350	\$0	\$4,788,877
Mandatory	Exemption - Education Benefits for Certain Survivors - TEC 54.354)	\$327,707	\$0	\$25,249	\$0	\$0	\$352,956
Mandatory	Exemption - Firefighters and Peace Officers Enrolled in Certain Courses - TEC 54.3531)	\$1,027,145	\$0	\$139,162	\$0	\$0	\$1,166,307
Mandatory	Exemption - Firefighters Enrolled in Fire Science Course - TEC 54.353)	\$851,344	\$98,832	\$2,257,942	\$3,791	\$0	\$3,211,909

Exemptions and Waivers Reported - FY 2015

Optional	Exemption - Fully Funded Courses - TEC 54.217)	\$53,626	\$19,394	\$44,158	\$0	\$0	\$117,178
Optional	Exemption - Highest Ranking High School Graduates - TEC 54.301)	\$7,131,005	\$0	\$221,797	\$3,118	\$5,944	\$7,361,864
Optional	Exemption - Inter-Institutional Academic Programs - TEC 54.368)	\$421,235	\$0	\$0	\$0	\$0	\$421,235
Mandatory	Exemption - Participants in Military Funerals - TEC 54.344)	\$450	\$0	\$0	\$0	\$0	\$450
Mandatory	Exemption - Preceptors for Professional Nursing Education Programs - TEC 54.356)	\$191,194	\$29,500	\$88,842	\$2,000	\$1,500	\$313,037
Optional	Exemption - Reduced Designated Tuition Rates for Courses Provided During Off-Peak Hours at Certain Institutions - TEC 54.061)	\$71,111	\$0	\$0	\$0	\$0	\$71,111
Optional	Exemption - Senior Citizens - 6 Hours Credit - TEC 54.365 (c) )	\$488,068	\$0	\$583,746	\$7,020	\$1,536	\$1,080,370
Optional	Exemption - Senior Citizens - Audit - TEC 54.365 (b))	\$95,525	\$0	\$21,064	\$3,360	\$0	\$119,949
Mandatory	Exemption - Senior College Plan (Texas Tomorrow Fund) - TEC 54.624)	\$15,106,580	\$0	\$0	\$0	\$0	\$15,106,580
Optional	Exemption - Student Services Fees - TEC 54.262)	\$0	\$0	\$384	\$0	\$0	\$384
Optional	Exemption - Students 55 Years or Older - TEC 54.263)	\$482,505	\$9,870	\$17,711	\$216	\$0	\$510,302
Mandatory	Exemption - Students Under Conservatorship of Department of Family and Protective Services - TEC 54.366)	\$4,741,267	\$12,698	\$3,364,283	\$45,605	\$225,783	\$8,389,635
Optional	Exemption - Tuition for District Employees (Community Colleges) - TEC 130.0851)	\$0	\$0	\$784,569	\$0	\$0	\$784,569
Optional	Exemption - Tuition for Students Residing Outside of District (Ad Valorem) - TEC 130.0032)	\$0	\$0	\$271,760	\$0	\$0	\$271,760
Mandatory	Exemption - Tuition Limit in Cases of Concurrent Enrollment - TEC 54.011)	\$259,567	\$26,394	\$821	\$0	\$0	\$286,783
Mandatory	Exemption - Tuition Reduction (for Less than or Equal to 15 Hours) - TEC 54.010)	\$276,004	\$0	\$3,800	\$0	\$0	\$279,804
Optional	Exemption - Waiver of Fees - TEC 54.5035)	\$10,149,706	\$911,208	\$314,571	\$355,463	\$0	\$11,730,948

Exemptions and Waivers Reported - FY 2015

Mandatory*	Waiver - Academic Common Market - TEC 54.233)	\$138,532	\$87,076	\$0	\$0	\$0	\$225,608
Mandatory	Waiver - Biomedical Research Program, Scholarship - TEC 54.214)	\$0	\$944,394	\$0	\$0	\$0	\$944,394
Mandatory	Waiver - Economic Development and Diversification - TEC 54.222)	\$3,553,478	\$0	\$5,347	\$0	\$0	\$3,558,824
Mandatory	Waiver - Faculty and Dependents - TEC 54.211)	\$818,053	\$766,609	\$5,307	\$39,766	\$0	\$1,629,735
Mandatory	Waiver - Military Personnel and Dependents - TEC 54.241)	\$14,932,222	\$937,206	\$8,987,764	\$20,272	\$146,859	\$25,024,323
Mandatory	Waiver - Military Personnel and Dependents (Intent to Stay) - TEC 54.241 (d,I,k)	\$6,643,413	\$27,461	\$266,054	\$0	\$2,160	\$6,939,088
Optional	Waiver - National Student Exchange Program - TEC 51.930)	\$1,364,254	\$0	\$0	\$0	\$0	\$1,364,254
Mandatory	Waiver - NATO Agreement - TEC 54.232)	\$121,700	\$0	\$0	\$0	\$0	\$121,700
Optional	Waiver - Nonresident Tuition Rates at Certain Institutions (100 Miles) - TEC 54.0601)	\$9,706,255	\$0	\$0	\$0	\$0	\$9,706,255
Optional	Waiver - Registered Nurses in Postgraduate Nursing Degree Programs - TEC 54.251)	\$10,860	\$0	\$0	\$0	\$0	\$10,860
Optional	Waiver - Resident of Bordering County or Parish - TEC 54.231(a))	\$8,349,262	\$313,347	\$54,048	\$0	\$120,816	\$8,837,473
Mandatory	Waiver - Resident of Bordering Nation - TEC 54.231(b))	\$16,207,964	\$0	\$0	\$0	\$0	\$16,207,964
Mandatory	Waiver - Resident of Bordering Nation (Health Programs) - TEC 54.231(b)(4))	\$0	\$14,972	\$0	\$0	\$0	\$14,972
Optional	Waiver - Resident of Bordering Nations Participating in Student Exchange Program - TEC 54.231(c))	\$6,472,956	\$0	\$0	\$0	\$0	\$6,472,956
Optional	Waiver - Resident of Bordering States - TEC 54.231(g))	\$3,644,820	\$3,699	\$652,508	\$2,371,299	\$0	\$6,672,326
Optional	Waiver - Scholarship Student - TEC 54.213)	\$163,771,960	\$9,599,782	\$2,501,206	\$156,173	\$987	\$176,030,108
Optional	Waiver - Students from Other Nations of the American Hemisphere - TEC 54.331)	\$3,706,185	\$54,987	\$178,582	\$0	\$0	\$3,939,754

Exemptions and Waivers Reported - FY 2015

Mandatory	Waiver - Teaching or Research Assistant - TEC 54.212)	\$112,693,996	\$11,375,502	\$202,539	\$0	\$0	\$124,272,037
Mandatory	Waiver - Texas Tomorrow Fund - TEC 54.621(c))	\$2,330,307	\$14,118	\$26,667	\$0	\$0	\$2,371,092
Optional	Waiver - The University of Texas System Science and Technology Development, Management, and Transfer - TEC 54.221)	\$558,834	\$0	\$0	\$0	\$0	\$558,834
	<b>Total Exemptions and Waivers</b>	<b>\$583,338,516</b>	<b>\$29,530,957</b>	<b>\$129,725,102</b>	<b>\$3,668,083</b>	<b>\$5,960,609</b>	<b>\$752,223,267</b>

Source: Integrated Fiscal Reporting System, Exemption and Waivers Report  
 Prepared by: Paul Turcotte, April 20, 2016